



**STATE OF TENNESSEE
BUREAU of TENNCARE
729 Church Street
NASHVILLE, TENNESSEE 37247-6501**

October 13, 2003

IMPORTANT INFORMATION REGARDING HIPAA COMPLIANCE

To All Nursing Home Providers

As you are already aware, the Bureau of TennCare is replacing its computer system in order to provide the state more flexibility in addressing program needs and changes as well as to comply with federal HIPAA requirements. The federal HIPAA law originally required that the changes to become HIPAA compliant be in place by October 16, 2003 and that states, including Tennessee, not accept non-compliant HIPAA transactions and claim formats after that date. However, we have now received a notice that the Centers for Medicare and Medicaid Services sent to all Medicaid agencies saying that they did not want HIPAA implementation on October 16th to have an adverse affect on payments to providers.

Since some aspects of the computer system conversion will not be finished in time to perform meaningful testing and training with the providers, we have decided to continue to accept claims submitted in the current manner (TADs and non-HIPAA claims) for the months of October and November of 2003. We will use this extra time to complete the computer system conversion and provide thorough training to providers before we expect them to begin using the new claims submission methods. Level II (SNF) providers should continue to submit UB-92 claims forms in the same manner and within the same time frames as in the past. Level I (ICF) providers will continue to submit TADs in the same manner and within the same time frames as in the past. Payments will be issued in the same manner and time periods as in the past.

We would anticipate a complete switchover to the new computer system would occur on December 1, 2003. We will continue to keep you informed of our progress in switching to the new computer system.

Sincerely,

Manny Martins
Deputy Commissioner

MM/sgh